

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF EQUITABLE)	CASE NO. 89-286-K
GAS COMPANY)	

O R D E R

On June 27, 1990, the Commission issued its Order in Case No. 89-286 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates on a quarterly basis in accordance with the provisions of the gas cost adjustment ("GCA") clause set forth therein.

On January 4, 1993, Equitable Gas Company, a division of Equitable Resources, Inc. ("Equitable"), filed its quarterly GCA, which is to become effective February 1, 1993 and is to remain in effect until April 30, 1993.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Equitable's notice of January 4, 1993 set out certain revisions in rates which Equitable proposed to place into effect, said rates being designed to pass on to its customers the expected wholesale decrease in gas costs from its supplier in the amount of 22.24 cents per Mcf. Equitable's expected gas cost ("EGC") for the quarter beginning February 1, 1993 is \$4.1751 per Mcf, which includes a surcharge component of 80.54 cents per Mcf relating to

the settlement of Kentucky West Virginia Gas Company Docket No. TQ 89-1-46-000, et al. before the Federal Energy Regulatory Commission.

2. Equitable's notice set out a current quarter actual adjustment in the amount of 5.25 cents per Mcf to compensate for under-recovery of gas cost by the company through the operation of its gas cost recovery procedure during the months of August, September, and October 1992. Equitable's total actual adjustment is (49.58) cents per Mcf, which is composed of the current under-recovery plus remaining over- and under-recoveries from previous quarters.

3. Equitable's notice set out a current quarter balancing adjustment in the amount of .31 cents per Mcf to reconcile variances from previous actual, refund, and balance adjustments. Equitable's total balancing adjustment is 1.06 cents per Mcf.

4. The combined effect of the above adjustments is Equitable's gas cost recovery ("GCR") rate in the amount of \$3.6899 per Mcf, a decrease of 15.02 cents per Mcf from its last approved GCR rate. The decrease represents the combined effect of the supplier increase, actual, and balancing adjustments.

5. Equitable's adjustment in rates pursuant to the GCA provisions approved by the Commission in its Order in Case No. 89-286 dated June 27, 1990 is fair, just, and reasonable, in the public interest, and should be effective with final meter readings on and after February 1, 1993.

IT IS THEREFORE ORDERED that:

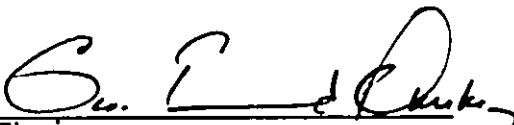
1. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable and are approved effective with final meter readings on and after February 1, 1993.

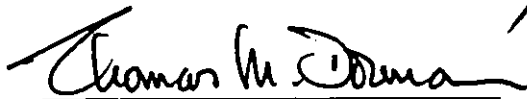
2. The GCR rate shall be \$3.6899 per Mcf effective with final meter readings on and after February 1, 1993.

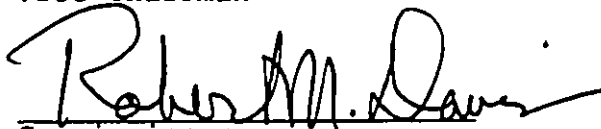
3. Within 30 days of the date of this Order, Equitable shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 4th day of February, 1993.

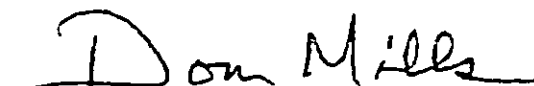
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 89-286-K DATED FEBRUARY 4, 1993

The following rates and charges are prescribed for the customers in the area served by Equitable Gas Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

RATES: Monthly

		Gas Cost Recovery		
		Base Rate	Rate	Total Rate
First	2 Mcf	\$0.6653	\$3.6899	\$4.3552 per Mcf
Next	18 Mcf	0.4653	3.6899	4.1552 per Mcf
Next	30 Mcf	0.3753	3.6899	4.0652 per Mcf
Next	50 Mcf	0.2953	3.6899	3.9852 per Mcf
All Over	100 Mcf	0.2253	3.6899	3.9152 per Mcf

The minimum bill shall be \$4.00.

The above rates include recovery of a Kentucky West Virginia Gas Company surcharge of 61.4 cents per Dth pursuant to the settlement of Docket No. TQ 89-1-46, et. al. before the Federal Energy Regulatory Commission.

The following adjustments will be made to the above rates:

A surcharge of \$0.2278 per Mcf to reconcile under-collections occurring from 4/1/83 to 6/30/87 will be added to the above rates to be effective for 60 months beginning with the date of the Commission Order in Case No. 6602-GG or until the undercollection is recovered.

The base rate for the future application of the purchased gas adjustment clause of Equitable Gas Company shall be:

Commodity

Kentucky West Virginia Gas Company \$2.7780/Dth*

*Includes \$0.0146 Gas Research Institute Funding Charge and an Annual Charge Adjustment of \$0.0021.